



Deputy to the Director of Central Intelligence
for Resource Management

Washington, D.C. 20505

DCI/RM 81-1201

6 January 1981

CO. PENDING
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MEMORANDUM FOR:

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Special Assistant to the DCI for Compartmentation

SUBJECT:

FY 1981 Appropriations Conference Action on APEX

Harry -

1. We have reviewed the reports of the House and Senate Appropriations Committees and the Appropriations Conference on the FY 1981 budget item for APEX (\$5.0 million) which was contained in the IC Staff budget. The situation can be summarized as follows: (C)

- Only \$3.0 million may be obligated for the 4C system at this time.
- It is the interpretation of the HAC Staff that the remainder may be approved for obligation if persuasive justification is presented for the consideration of the HAC and SAC.
- If the additional money is not needed, or approval is not granted by the Committees, then it may be reprogrammed to the CIA Reserve for Contingencies. A separate request for such reprogramming would be required.

2. You should prepare the necessary justification for the full FY 1981 expenditures needed for the 4C system and for any other APEX-related expenses to be paid from the \$5.0 million appropriated to the IC Staff so that we may forward it to the HAC and SAC for approval. (C)

3. In conversation with the HAC Staff (Jim Van Waggenen), it was learned that they are not satisfied with the response we have provided on the total cost of APEX implementation or on the ROYAL compartment. Jim indicated they wish to discuss these matters further in the future. (C)

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cc: CIA Comptroller
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